



RURAL DEVELOPMENT Vermont/New Hampshire

Volume 6

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Committed to the future of rural

MULTI-FAMILY HOUSING NEWS

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RD ASSET MANAGEMENT TRAINING, FIRESIDE INN, SEPTEMBER 21

AGENDA ATTACHED--NOT TOO LATE TO REGISTER!

NEW MANAGEMENT FEES

RD issued a Special Notice on June 21, 2006 (PN 399) which allows for Management fee increases effective January 1, 2007. Borrowers and management agents must include their management agreement and Form RD 3560-13, "Management Certification." The new PUPM fee is \$52.52 for projects in Vermont and \$53.38 for projects in New Hampshire. These fees were increased using the Operating Cost Adjustment Factor (OCAF).

PROPOSED ANNUAL BUDGETS AND RENT INCREASES—ITS THAT TIME OF YEAR!

We want to remind you that if you are planning a rent increase with submission of your annual budget, it needs to be sent 90 days prior to the end of your fiscal year end. If you are not planning a rent increase, the proposed budget is to be submitted 60 days



RURAL DEVELOPMENT IS AN EQUAL OPPORTUNITY LENDER, PROVIDER AND EMPLOYER. COMPLAINTS OF DISCRIMINATION SHOULD BE SENT TO: USDA, DIRECTOR, OFFICE OF CIVIL RIGHTS, WASHINGTON DC 20250-9410

prior to the end of your fiscal year.

ANNUAL AUDITS AND ENGAGEMENTS

The Agency has published new and revised Handbook regulations (PN #401 on August 23, 2006) for annual Engagement reports and/or Certifications to Performance Standards.

For Multi-Family Housing Section 515 Programs, the agency now only requires annual audited financial statements for non-profits that are subject to the A-133 single audit, or if financial audits are independently obtained by the borrower for other purposes. In place of audits, the agency is now requiring that **"Agreed-Upon Procedures and Determinations" (AUP)** be obtained from a CPA for projects that are 16 units or more. There are eleven (11) Agreed-Upon-Procedures published in the Handbook that must be addressed. If a project has less than 16 units, the AUP is not required, however the borrower must provide a **Certification to Performance Standards**. (The AUP and Performance Standards are published in CH 4 of Handbook 2-3560). The Performance Certification may or may not be from a CPA. This new process is effective for fiscal years ending June 30, 2006.

If extensions are needed for your annual reports, please contact your Area Office. The new engagement process and financial reporting can be found at:

<http://www.rurdev.usda.gov/regs/handbook/hb-2-3560/AM%20Chapter%204.pdf#page=37>.

The **Engagement letter and AUP illustrative report** to be used by the CPA can also be found at: <http://www.rurdev.usda.gov/regs/handbook/hb-2-3560/AM%20Appendix%204.pdf#page=19>

EQUAL OPPORTUNITY LOGO REQUIREMENTS

Departmental Regulation (DR) 4300-3, Equal Opportunity Public Notification Policy, requires USDA MFH Borrowers/Managers to include this statement, in full, on all materials that are produced for public information, public education, or public distribution. The non-discrimination statement is also updated to reflect the contact information changes:

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)"

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800)795-3272 (voice) or (202)720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender."

If the material is too small to permit the full statement to be included, the material will at minimum include the statement, in print size no smaller than the text, **"This institution is an equal opportunity provider and employer."**

WAGE AND BENEFIT MATCHING IN VERMONT

We have initiated our first phase of findings to Owners/Managers. Please bear with us as we try to work through the initial process with you. It is our first attempt at looking at wage and benefit data reported from the Vermont DOL. They are providing us with the last four quarters of income reported by employers as well as unemployment benefits for selected tenants. We are selecting cases that show a wide variance in household income compared to the last Tenant Certification of record. We are asking property managers to provide research and follow up findings to RD for possible cases of unauthorized assistance.

TENANT AUTHORIZATIONS FOR RELEASE OF INFORMATION

A question has come up regarding tenant authorizations to release and/or obtain information from third parties. RD does not have a form to be signed by tenants for authorizations other than Form RD 3560-8, TENANT CERTIFICATION. An opinion has been issued to RD that this form is minimally sufficient for third party verifications for the collection, verification, and release of tenant information for the purpose of determining occupancy and tenant contribution for rent.

It is advisable, but not required that owners/managers use a legally sufficient "Authorization of Release" form that you can use for the initial application and recertification stages of tenant eligibility. We recommend that your legal counsel provide you a blanket authorization that can be utilized for various housing organizations that you work with. If you have any questions, please contact us.

HAVE A GREAT FALL!

USDA RURAL DEVELOPMENT SECTION 515 PROPERTY MANAGEMENT WORKSHOP

SEPTEMBER 21ST –FIRESIDE INN, W. LEBANON, NH

Agenda

8:30- 9:00	REGISTRATION
9:00- 9:15	OPENING REMARKS
9:15-9:45	TENANT ELIGIBILITY
9:45- 10:45	ANNUAL BUDGETS (PROPOSED AND YEAR END)
10:45- 11:00	BREAK
11:00- 12:00	STEPHANIE WHITE, DIRECTOR OF PORTFOLIO MANAGEMENT, USDA RURAL DEVELOPMENT, WASHINGTON, DC <ul style="list-style-type: none">▪ PORTFOLIO REVITALIZATION▪ VOUCHER DEMO PROGRAM▪ RENTAL ASSISTANCE MANAGEMENT
12:00- 1:00	LUNCH ON YOUR OWN
1:00- 2:30	STEPHANIE WHITE (CONT) <ul style="list-style-type: none">▪ ENGAGEMENTS AND ANNUAL AUDITS FOR 515 PROJECTS▪ MANAGEMENT CONTROLS AND IMPROPER PAYMENT ACT▪ SUPERVISORY VISIT PROCESS
2:30- 3:30	CAPITAL NEEDS ASSESSMENTS AND TRANSITION PLANS FOR ACCESSIBILITY
3:30- 4:00	Q&A

Registration Information

This workshop is free. The workshop registration will be from 8:30-9:00 am. Advance registration is requested. If you require a special accommodation or service, please contact this office, one week prior to the scheduled meeting. Continental Breakfast will be provided.

Please list all individuals attending the session from your organization and include one contact telephone number. ***PLEASE REGISTER NO LATER THAN SEPTEMBER 1, 2006.***

Management Company or Borrower Organization:

Name(s):

Title:

Telephone #:

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DIRECTIONS:

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